Corporate Citizenship and Management Issues

RL seeks to serve Hanford, the Tri-Cities region, and the Pacific Northwest community as a responsive corporate citizen and effective manager of environmental cleanup and science and technology development.

Corporate Citizenship

Corporate citizenship includes a committed approach to public and Tribal Nation involvement, economic diversification, and regulatory oversight issues.

RL values open and productive dialogue with stakeholders and the community. Public involvement is encouraged through an assortment of Hanford activities, workshops, public meetings, and site tours. In addition, the Hanford Home Page (http://www.hanford.gov), helping to meet the needs of an increasingly electronic society, provides ready public access to information on current and previous Hanford activities, missions, and budgets.

In accordance with DOE's American Indian Policy, RL is working to solidify its government-to-government relationships with Tribal Nations. Through the year, Hanford increased interactions with Tribal Nations to provide for their early involvement in projects, plans, and activities.

RL continues to work with the community to diversify the economy and lessen the community's reliance on federal budgets. Locally, Hanford's payroll accounts for nearly 36 percent of all jobs. The diversification strategy includes Community Transition funding, the Community Worker and Transition Program, transfers of unused Hanford land to other entities for economic development purposes, and concerted efforts by Hanford contractors to create jobs in the local area.

RL also works closely with the major agencies that provide regulatory oversight at the Hanford Site, including the U.S. Environmental Protection Agency (EPA), the Defense Nuclear Facilities Safety Board, Washington State Department of Ecology, and the Washington Department of Health. Although Oregon does not have direct regulatory authority at the Hanford Site, DOE recognizes its interest in Hanford cleanup because of its proximity to the site.

Overarching Management Issues

Effective management is reflected in the successful resolution of "overarching" management issues that have the potential to substantially influence Hanford Site cleanup

or impact the safety of workers, the public, and the environment.

State of Washington Notice of Intent to Sue

Due to numerous technical safety issues, DOE missed two deadlines to begin pumping radioactive liquid waste from 149 single-shell tanks into sturdier double-shell tanks. The deadlines were part of the Tri-Party Agreement between DOE, Washington state, and the EPA.

In June 1998 the state, concerned about the pace of tank waste cleanup at Hanford, announced that it intended to sue DOE for missing the deadlines.

"We share (Washington state's) frustrations at the pace of cleanup at Hanford,' said RL Manager John Wagoner in responding to the state's announcement. "But this is complex, extremely dangerous work and we have to proceed with caution. I cannot and will not allow safety to be compromised in our effort to comply with schedules in the Tri-Party Agreement."

Despite the impasse, the parties continued to work together toward a new, mutually acceptable pumping schedule that would head off the lawsuit and get the work done.

A breakthrough came in early October 1998. Energy Secretary Bill Richardson announced an agreement with the state that outlines achievable timetables for pumping the remaining single-shell tanks. The new schedule calls for the tanks to be prioritized according to risk.

Privatization Solution for Tank Waste

There are 204,000 cubic meters (54 million gallons) of radioactive waste stored in underground tanks on the Hanford Site. Some of the tanks have leaked in the past and pose potential threats to the environment. Safe, costeffective treatment and immobilization of tank waste are high priorities for regulators, the public, and Tribal Nations. DOE believes that "privatization"—hiring a private company to do the work—is the best approach for treating and immobilizing tank wastes.

A privatization contract with BNFL Inc. has been signed, treatment facility planning activities are underway, and DOE expects to give construction authorization in fiscal year 2000.

Spent Fuel Project

Spent nuclear fuel must be removed from Hanford's K Basins to prevent additional soil and groundwater contamination and protect the Columbia River. Numerous management issues and safety considerations, however, have delayed the project.

In May, the House Commerce Committee Subcommittee on Oversight and Investigation held a hearing in Washington, D.C., to gather information about the Spent Fuel Project. Testifying before the subcommittee, RL Manager John Wagoner pledged to continue to identify and correct the root causes of the project's lack of performance, and to work with the contractor to reduce the overall cost of the project.

Several weeks later, RL proposed that senior managers from DOE, the Washington State Department of Ecology, and the EPA meet with representatives of Fluor Daniel Hanford, Duke Engineering and Services Hanford, and the Defense Nuclear Facilities Safety Board to discuss schedules, milestones



Secretary of Energy Bill Richardson, joined by U.S. Senator Patty Murray and Washington Governor Gary Locke, announces an agreement that provides cleanup timetables and priorities for Hanford waste tanks. The announcement occurred during Richardson's visit to Hanford in October 1998.

and a long-term strategy for establishing near-term milestones. In September, DOE and EPA agreed to a new baseline schedule for removing spent nuclear fuel from the K Basins.

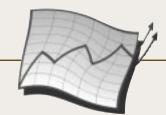
Groundwater/Vadose Zone Strategy

Hanford's legacy as a plutonium production facility is reflected in the site's contaminated soil and groundwater. There are many questions about how contamination spreads, and how it can be contained. In January, DOE established a multicontractor project aimed at developing a comprehensive strategy to address contamination of the soil beneath Hanford's waste tanks, and contamination in the "vadose zone," the soil column between the earth's surface and groundwater.

The project will produce a sitewide action plan that uses science and technology to develop strategies for protection and cleanup. In addition to broad stakeholder and Tribal involvement, the project includes a panel of eight technical experts who will meet several times each year and provide DOE with recommendations for reducing groundwater and vadose zone contamination.

Other Issues Addressed in Fiscal Year 1998:

- Additional technical expertise is being applied to issues surrounding the delay in stabilizing chemical liquids, oxides, and metals at the Plutonium Finishing Plant. Stabilization activities are expected to begin by January 1999.
- RL has assisted DOE-Headquarters in its evaluation of the Fast Flux Test Facility (FFTF), a research reactor, as a possible supplier of tritium, medical isotopes, and plutonium for NASA spacecraft. A decision on the future of the FFTF is due in December 1998.
- Work continued to ensure that funding levels meet the needs of Hanford's priority projects and compliance agreements.



Economic development and diversification are critical to the effort of reducing the local area's reliance on federal dollars. RL, working cooperatively with the community, provides assistance in support of development and diversification activities.

There has been an allocation of \$17 million in Community Transition funding since 1994.

In fiscal year 1998: Hanford contractors helped create 370 jobs, and helped create or expand 25 businesses.

700 jobs were created via the Community and Worker Transition Program.

311 hectares (768 acres) of land in North Richland were transferred to the Port of Benton for development purposes; a major locomotive repair company located at the site, creating nine jobs.